Foster Garvey

Duff on Hospitality Law

AI Commerce Hits a Reality Check as Regulators Circle the Travel Industry

03.08.26

Good Sunday afternoon (for some of us, a dreaded "spring forward" afternoon) from Seattle . . . Our weekly Online Travel Update for the week ending Friday, March 6, 2026, is below. This past week began with news out of the UK of a new CMA investigation into the hotel industry and ended with ChatGPT's apparent recognition that platform transactions may be harder than first thought. Our stories below provide the details. Enjoy.

ChatGPT Scales Back Platform Purchasing - For Now. A report this past week by *The Information* (which was later confirmed by ChatGPT to *Skift*) indicated that ChatGPT is scaling back efforts to provide users the opportunity to buy (or book) directly within the platform. Instead, ChatGPT intends to focus its efforts on product search and discovery while deferring to merchants to handle the actual booking process via their ChatGPT apps. Good news for Expedia and Booking.com, which in recent weeks have seen drops in their stock prices over disintermediation concerns. So why the change? Commentators suggest that "AI commerce" is far more difficult than originally anticipated - technology, user habits (and trust) and regulations all present significant hurdles. What does this mean for suppliers? My view of these platforms as natural language meta search sites continues to ring true. Assuming prospective travelers' use and trust in AI continues to grow, I believe that it remains critical for suppliers to be present and part of travelers' "search and discovery" on these platforms. Differentiation will become the challenge. In this world, OTAs will lean into the AI platforms and double their efforts to capture (and re-direct) as many travelers as possible early in the sales cycle/funnel via content, discounted pricing and ultimately advertising.

State and Federal Legislators Focused on Technology-Based Pricing. For the past several weeks, we have featured stories on state and local efforts regarding technology-based pricing (sometimes referred to as "surveillance pricing"). This past week, the U.S. House Oversight Committee sent letters to the CEOs of five companies, including Expedia and Booking.com, asking whether they used surveillance pricing (in the form of pricing algorithms and personal data) in setting online prices. At the state level, pending legislation in Connecticut, Maryland, Ohio and Tennessee prompted the Travel Technology Association to send letters to legislators in each state warning that the proposed legislation would limit the ability for online retailers to offer consumers discounts, loyalty programs and other promotions.

Booking Holdings Claims Partial Victory in Ongoing Hotelier Claims. In a press release last week, Booking Holdings claimed that the Dutch court overseeing competition claims by German hoteliers has agreed with several of its positions, including the fact that German hotels have yet to provide enough evidence that Booking.com's use of rate parity provisions prior to 2016 violated competition laws. More importantly,

© 2026 Foster Garvey PC. All Rights Reserved.

according to Booking, the court expressed concerns regarding the narrow market definition applied by German competition authorities and courts, suggesting that they failed to take in account the threat posed to Booking by other available sales channels as required by the European Court of Justice's ruling in 2024. Expect more on this case and others currently pending against Booking Holdings in the weeks to come.

UK's Competition and Markets Authority (CMA) Opens Investigation. Hoteliers Hilton, Intercontinental Hotel Group (IHG) and Marriott, together with real estate analytics firm, CoStar (owner of STR), are under investigation in the UK. According to the CMA's statement announcing the investigation, the sharing of competitively sensitive information among competing companies, even via a third-party service provider, has the possibility of reducing how strongly the companies will compete. Recall that similar claims were made (unsuccessfully) in the U.S. against hoteliers a year ago. The CMA's investigation is expected to continue through August.

Have a great week.

ChatGPT Bails on Transactions - Good News for Expedia and Booking
March 5, 2026 via Skift
OpenAI built the checkout tech but couldn't get users to actually buy. That's a reprieve for OTAs, and a reality check for anyone assuming AI commerce is inevitable.

US House Committee Wants Travel Companies to Disclose AI Use for Pricing
March 5, 2026 via Yahoo!
The chair of the U.S. House Oversight Committee asked the CEOs of five major travel companies including Uber, Lyft and Expedia, on Thursday to disclose whether they were using surveillance pricing of consumers to hike costs.

OpenAI to Scale Back Plans to Integrate Travel Bookings in ChatGPT
March 5, 2026 via Internet Retailing
Shares of online travel agencies surged on Thursday after a report that OpenAI is scaling back plans to integrate direct bookings into ChatGPT, easing investor fears that the AI chatbots could eventually cut out travel intermediaries.

Travel Tech Raises Concerns as State "Price Surveillance" Bills Head to Public Hearings
March 4, 2026 via Travel Tech Association
The Travel Technology Association (Travel Tech) sent letters this week to lawmakers in Connecticut, Maryland, Ohio, and Tennessee ahead of upcoming public hearings on state "price surveillance" bills that ...

Booking CFO: The AI Threat Isn't 'Really a Risk at All'
March 4, 2026 via Skift
In the face of the LLM threat, Booking Holdings thinks it can repeatedly grow its top line 8% annually over the "medium term" and earnings per share 15% over the same timespan. Booking Holdings Chief Financial Officer Ewout Steenbergen said Tuesday the traffic that his company receives from ...

© 2026 Foster Garvey PC. All Rights Reserved.

Lighthouse Launches Hotel Direct Booking App in ChatGPT

March 4, 2026 via Hotel Management News

Lighthouse, the AI commercial operating system for the travel and hospitality industry, launches The Hotels Network app, the first direct booking app for hotels available inside ChatGPT. Powered by Lighthouse's
Connect AI engine, the app gives hotels a direct presence in AI conversations for the first time. The app is …

Amsterdam Court Upholds Key Elements of Booking.com's Position in German Price Parity Case

March 4, 2026 via Booking.com

Today the Amsterdam District Court upheld key elements of Booking.com's position, concerning the company's past use of price parity clauses in Germany before 2016 relating to a number of counterclaims brought by a group of German hotels. This ruling finds that the hotels have still …

UK Watchdog Probing Hilton, IHG, Marriott, CoStar for Data Sharing

March 2, 2026 via Reuters

The UK's competition regulator launched a probe on Monday into whether hotel chains Hilton, InterContinental Hotels, and Marriott were sharing competitively sensitive information using a hotel data analytics tool, which could potentially make their prices less competitive for the consumer.

The Claude Effect Is Coming for Travel

March 2, 2026 via Skift

The moment an AI agent handles the complexity of travel, the intermediation layer will have to answer why it exists - or at least why it commands the margin it does.

Hilton, IHG Hotels, Marriott, CoStar Probed by UK CMA Over Data-Sharing (Update*)

March 2, 2026 via MLex

Hotel chains Hilton, IHG Hotels and Marriott, as well as commercial real estate information company CoStar, are being investigated by the UK competition regulator over suspected anticompetitive data-sharing practices. The Competition and Markets Authority said the probe concerned the sharing of sensitive information using a hotel data-analytics tool.

From Wrong Hours to Dangerous Hikes: The Hidden Risks of Letting AI Plan Your Holiday

March 1, 2026 via Canberra Times

Is AI killing the 'wonder' of travel? The surprising price of a perfectly planned holiday.

Posted in Online Travel Update

Authored by

Greg Duff

Principal|Seattle

© 2026 Foster Garvey PC. All Rights Reserved.

206.816.1470 greg.duff@foster.com

© 2026 Foster Garvey PC. All Rights Reserved.